

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 STATE 173056

15

ORIGIN AEC-01

INFO OCT-01 SCI-01 ISO-00 EUR-01 EA-01 /005 R

66610

DRAFTED BY: USAEC:DIP:RSLAWSON

APPROVED BY: SCI/AE:HDBREWSTER

----- 011938

R 081907Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY PARIS

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 173056

FOLLOWING REPEAT OTTAWA 2474 ACTION SECSTATE INFO MONTREAL
03 AUG

QUOTE

C O N F I D E N T I A L OTTAWA 2474

E.O. 11652: GDS

TAGS: TGEN, ENRG, CA, FR

SUBJECT: ADDITIONAL DETAILS ON FRANCO-QUEBEC URANIUM ENRICHMENT
PROJECT

REF: OTTAWA 2400 AND 2417

1. FURTHER CONSULTATIONS WITH GOC, BRINCO, AND CONGEN MONTREAL
OFFICIALS HAVE ADDED FOLLOWING DETAILS TO PRELIMINARY INFORMATION
REPORTED RETELS:

A. NEGOTIATING OFFICIAL FOR CEA AND SENIOR OFFICIAL FOR
PROJECT WAS MICHAEL PECQUEUR.

B. CERTAIN USUALLY KNOWLEDGEABLE GOC OFFICIALS AS WELL AS
BRINCO OFFICIALS ARE APPARENTLY CONVINCED THAT FRANCO-QUEBEC

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 173056

PLANT HAS BEEN MADE MATTER OF "NATIONA INTEREST" IN FRANCE
AND HENCE IT WILL GO AHEAD. WITH HHIS ASSUMPTION, THEY POINT

OUT THAT TECHNOLOGICAL MARGINS BECOME VIRTUALLY INSIGNIFICANT BECAUSE GOF WOULD BE PREPARED TO DROP PERHAPS AS MUCH AS HALF A BILLION EXTRA DOLLARS TO ASSURE A PRODUCING PLANT.

C. ABOVE GOF DETERMINATION COMPLEMENTED BY THAT OF QUEBEC PROVINCIAL OFFICIALS UNDER BOURASSA WHO WAS CHARACTERIZED IN KNOWLEDGEABLE MONTREAL CIRCLES AS A MAN WHO APPROACHED THE PROJECT WITH A "WHIM OF IRON" AS A FURTHER ENLARGEMENT OF THE "FRENCH FACT" IN NORTH AMERICA.

D. SCENARIO FORESEEN BY BRINCO AND SHARED TO SOME EXTENT BY GOC OFFICIALS IS THAT SEUR-COMICO-JAMES BAY DEVELOPMENT CORP. WILL RUSH THROUGH FEASIBILITY STUDY AND MAKE SUBMISSION TO QUEBEC AUTHORITIES AND GOC SHORTLY AFTER FIRST OF YEAR. FROM THE FEASIBILITY STUDY AND SUBMISSION, THEY HOPE TO GET LETTER OF INTENT FROM QUEBEC WHICH WILL THEREBY FREEZE OUT BRINCO PROJECT.

E. CONSENSUS OF OPINION IN MONTREAL IS THAT BRINCO STILL WOULD HAVE A CHANCE WITH QUEBEC IF THEY COULD GIVE QUEBEC A REASONABLY FIRM DATE FOR A SUBMISSION OF THEIR OWN. BOURASSA WOULD THEN HAVE CHOICE OF TWO PROPOSALS AND SOME OF HIS COUNSELORS AT LEAST WOULD FAVOR PRESUMABLY MORE TECHNICALLY SOUND ONE BASED ON AMERICAN TECHNOLOGY.

2. IN PROCESS OF DEVELOPING ABOVE INFORMATION, ADDITIONAL POINTS OF INTEREST WERE LEARNED AS FOLLOWS:

A. BECHTLE HAS APPARENTLY BEEN SECRETLY EXPLORE WITH QUEBEC OFFICIALS AS RECENTLY AS THIS WEEK, POSSIBILITY OF LOCATING UEA, REPEAT UEA, PLANT IN QUEBEC AND FREEZING OUT BOTH FRENCH AND BRINCO. SINCE THIS POINT WAS INDEPENDENTLY REVEALED BY TWO UNRELATED SOURCES WE ARE INCLINED TO GIVE IT SOME CREDENCE.

B. BRITISH HIGH COMMISSION IS CONTINUING TO GIVE MATTER PRIORITY ATTENTION. THEIR OFFICIALS TOLD BRINCO OFFICERS THAT REASONS FOR THEIR CONCERN WERE: (A) DANGER OF FRENCH IMPOSED SUPPLY MONOPOLY IN EUROPE WITH THEIR NEEDING ENRICHED URANIUM FOR SGHW REACTOR AND (B) CONCERN ABOUT POSSIBLE POLITICAL PROBLEMS THAT WOULD BE RAISED IN CANADA BY FRENCH INVESTMENT OF THIS SIZE. (C) AS UNRELATED POINT, LORNE GRAY HAS APPARENTLY OFFERED JAPANESE 30 YEARS GUARANTEED SUPPLY OF FUEL IF THEY WILL TAKE
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 STATE 173056

MAJOR COMMITMENT TO CANDU REACTOR TYPE. IF TRUE, THIS COULD WELL BE TEMPTING OFFER TO ENERGY-SHORT JAPAN.
PORTER UNQUOTE
KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SCIENTIFIC COOPERATION, URANIUM, SUPPLIES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE173056
Document Source: CORE
Document Unique ID: 00
Drafter: USAEC:DIP:RSLAWSON
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740218-0121
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740863/aaaaccbo.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AEC
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: OTTAWA 2400 AND 2417
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by shawdg>; APPROVED <25 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADDITIONAL DETAILS ON FRANCO-QUEBEC URANIUM ENRICHMENT PROJECT
TAGS: TGEN, ENRG, CA, FR
To: PARIS MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005